

At the meeting of the Public Service Commission of the State of Montana held at the Commission's Offices in Helena, Montana, on Tuesday, October 31, 2006, the following members were present:

Greg Jergeson, Chairman
Brad Molnar, Vice Chairman
Doug Mood, Commissioner
Robert H. Raney, Commissioner
Thomas J. Schneider, Commissioner

APPEARANCE

Eric Eck, Utility Division

(320) In the matter of D2006.10.148-Black Hills Power-On October 16, 2006, BHP filed a Quarterly Fuel Rate Rider application. A notice of opportunity for Public Hearing was issued on October 17, 2006. Requests for hearing were due on October 31, 2006. No requests have been received. This application will increase revenues by \$47,197 over the base cost of fuel approved in Docket No. 83.4.25.

Commissioner Molnar moved to approve the Quarterly Fuel Rate Rider application. Commissioner Raney seconded the motion, which passed unanimously.

APPEARANCE

Gary Duncan, Utility Division

(321) In the matter of N2006.10.147-Qwest Corporation-On October 12, 2006 Qwest Corporation (Qwest) filed for Commission approval a Multiple-State Agreement (MSA) between Qwest and Sears Roebuck (Sears). Qwest is filing the MSA with the Commission for approval pursuant to Section 2.18 (Large Business Customers With a Multi-State Presence) of its Exchange and Network Service Tariff, and pursuant to the Commissioner's April 16, 2004 Notice of Commission Action (NCA) in Docket N2003.10.149. Also pursuant to the NCA, Qwest filed proprietary cost information. The MSA is the result of Qwest renewing a contract with Sears to provide telecommunications services with Qwest's incumbent territory which include various locations in Montana. The services purchased by Sears are available from other competitive carriers in addition to Qwest.

Commissioner Schneider moved to approve the Multi-State Agreement between Qwest and Sears Roebuck. Commissioner Mood seconded the motion, which passed unanimously.

(322) In the matter of N2006.10.150-Citizens Telecommunications-On October 13, 2006, Citizens filed Advice letter No. MT-06-10 Special Promotion. In this filing Citizens is requesting to introduce a special promotion beginning November 13, 2006, and continuing through February 10, 2007. Eligible customers that accept this offer and order Frontier Choices Tier Bundle will receive waivers of all installation charges (as special Tariff Section III, Nonrecurring Charges) and local service charges (as specified in Tariff Section III, Bundled

Services) for the first month of service. If the customer terminates the Tier Bundle before the end of the 12-month period, an early termination fee will apply. If the customers are not satisfied with the Tier Bundle, they may cancel the service within the first 30 days of the service with no termination fee.

Commissioner Mood moved to approve N2006.10.150-Citizens Telecommunications special promotion letter No. MT-06-10. Commissioner Schneider seconded the motion, which passed unanimously.

APPEARANCE

Wayne Budt, Administrator
Transportation & Centralized Services Division

(323) In the matter of Commission Minutes

Commissioner Raney moved to approve the minutes from October 23, 2006. Commissioner Molnar seconded the motion, which passed unanimously.

APPEARANCE

Tim Sweeney, Legal Division

(324) In the matter of N2006.4.47 and N2006.4.48-Ronan Telephone and Hot Springs Telephone motions for Term Protective Orders.

Commissioner Schneider moved to approve N2006.4.47 and N2006.4.48 term protective orders for Ronan and Hot Springs Telephone. Commissioner Raney seconded the motion, which passed unanimously.

APPEARANCE

Martin Jacobson, Legal Division

(325) In the matter of Annual BTU monitoring contracts. Each year the PSC reviews its BTU monitoring contracts for the upcoming heating season. Btu monitoring contracts allow the PSC to monitor the heat content of natural gas being consumed in Montana. Btu monitoring is especially important when a utility bills via the heat content of natural gas. This year's contracts are new (not renewals). Staff is proposing some changes that will expand Btu monitoring and make Btu monitoring more accurate, informative, and consistent among utilities.

Commissioner Raney moved to approve the Btu annual monitoring contracts. Commissioner Molnar seconded the motion, which passed unanimously.

(326) In the matter of L-06.5.2-RUL Amendments to T-Com Service Standard Rules. Discussion, direction, and action on draft notice of adoption, other matters necessary.

Commissioner Raney moved to approve L-06.5.2-RUL Amendments to T-Com Service Standard Rules as drafted by staff and convert to filing format and file with the Secretary of State. Commissioner Mood seconded the motion, which passed unanimously.

APPEARANCE

Kate Whitney, Administrator
Utility Division

(327) In the matter of out-of-state travel for Joel Tierney's travel to Tulsa, Oklahoma on December 3-8 for Pipeline Safety training.

Commissioner Raney moved to approve Joel Tierney's travel to Tulsa, Oklahoma in December 3-8, 2006 for pipeline safety training. Commissioner Mood seconded the motion, which passed unanimously.

APPEARANCE

Will Rosquist, Utility Division
Mike Lee, Utility Division
Martin Jacobson, Legal Division

(328) In the matter of D2003.7.86, D2004.6.96, D2005.6.103 Northwestern Energy consolidated QF dockets-Discuss/act on issues, related to cost bases for long and short term avoided cost rates for prospective QFs, size threshold for any standard long-term rates, duration of contracts, renewable energy credit issues and other related matters.

Commissioner Mood moved to instruct staff to draft an order with the staff recommendation encompassing the three options for the QF rate. Commissioner Raney seconded the motion, which passed 4-1. Commissioner Molnar voted no.

Commissioner Schneider moved that we raise the threshold for a standard offer of QF contract from 3 megawatts to 10. Commissioner Raney seconded the motion, which passed 4-1. Commissioner Molnar voted no.

Commissioner Raney moved to direct staff to draft order language reflecting the staff recommendation that the PSC revisit QF pricing policies on reaching the 50 megawatt limit. Commissioner Mood seconded the motion, which passed 3-2. Commissioner Molnar and Commissioner Schneider voted no.

There being no further business to come before the Commission the meeting was adjourned.

GREG JERGSON, Chairman

BRAD MOLNAR, Vice Chairman

DOUG MOOD, Commissioner

ROBERT H. RANEY, Commissioner

THOMAS J. SCHNEIDER, Commissioner

ATTEST:

Connie Jones
Commission Secretary

(SEAL)

At the meeting of the Public Service Commission of the State of Montana held at the Commission's Offices in Helena, Montana, on Friday, November 3, 2006, the following members were present:

Greg Jergeson, Chairman
Doug Mood, Commissioner
Robert H. Raney, Commissioner
Thomas J. Schneider, Commissioner

Commissioner Molnar was absent.

APPEARANCE

Mike Lee, Utility Division
Martin Jacobson, Legal Division

(329) In the matter of the Commission's discussion of the FCC's Federal State Joint Board on Universal Service invited reply comments on using a reverse auction for purposes of federal universal service funding (FCC 06J-1):

Commissioner Schneider moved to adopt the draft reply comments of the Montana PSC to the FCC's Federal Joint Board on the reverse auction matter with all the necessary citations and editing corrections.

Commissioner Mood seconded the motion, which passed 4 to 0. The voting was left open for Commissioner Molnar.

There being no further business to come before the Commission the meeting was adjourned.

GREG JERGSON, Chairman

BRAD MOLNAR, Vice Chairman

DOUG MOOD, Commissioner

ROBERT H. RANEY, Commissioner

THOMAS J. SCHNEIDER, Commissioner

ATTEST:

Judy Scheier
Assistant Commission Secretary

(SEAL)